

**WELSH & KATZ, LTD.**  
*Attorneys at Law*  
120 SOUTH RIVERSIDE PLAZA, 22<sup>ND</sup> FLOOR  
CHICAGO, ILLINOIS 60606  
TELEPHONE (312) 655-1500  
FACSIMILE (312) 655-1501

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APR 10 2006

PATENT

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

In re application of: R. Mark Halligan

Serial No.: 09/757,940

Filed: 01/10/2001

Examiner: Janice Mooney

For: **METHOD AND APPARATUS FOR DOCUMENTATION,  
ANALYSIS, REGISTRATION, AND VERIFICATION OF  
TRADE SECRETS**

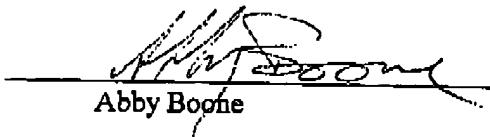
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Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-0001

**CERTIFICATION OF FACSIMILE TRANSMISSION**

I hereby certify that the following Replacement Appellant's Brief (40 Pages) is being facsimile transmitted to the Patent and Trademark Office on the date shown below:

Dated: April 10, 2006

  
Abby Boone

77901-2

PATENT

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant: R. Mark Halligan Art Unit: 3629  
Serial No.: 09/757,940  
Filed: January 10, 2001  
For: METHOD AND APPARATUS FOR DOCUMENTATION, ANALYSIS,  
AUDITING, ACCOUNTING, PROTECTION, REGISTRATION,  
AND VERIFICATION OF TRADE SECRETS  
Examiner: Mooneyham, J.  
Attorney  
Docket No.: 77901-2

REPLACEMENT APPELLANT'S BRIEF UNDER 37 CFR §1.192

Mail Stop: Appeal Brief  
Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

Sir:

In response to the Final rejection of September 16, 2005 and in support of the applicant's Notice of Appeal filed December 15, 2005, the applicant requests consideration of the following:

I. Real Party in Interest.

The real party in interest is TSO, Inc., by assignment dated January 5, 2001 and recorded at Reel/Frame 11494/0155.

II. Related Appeals and Interferences.

None.

III. Status of Claims.

Claims 96-101, 103-110 and 112-118 have been rejected under 35 U.S.C. §112, first paragraph, as failing to comply with the enablement requirement and as not being supported by a specific or well-established utility. Claims 96-101, 103-110 and 112-118 have been rejected under 35 U.S.C. §101 as being directed to non-statutory subject matter. Claims 96, 103-105, 112-114 and 118 have been rejected under 35 U.S.C. §103(a) as being obvious over U.S. Pat. No. 6,356,909 to Spenser in view of U.S. Pat. No. 6,556,992 to Barney et al.

IV. Status of Amendments.

The claims have not been amended since the final Office Action of September 16, 2005.

V. Summary of Claimed Subject Matter.

The invention is drawn to a programmed computer method based upon the six factors of a trade secret from the First Restatement of Torts for providing documentation, analysis, auditing, accounting, protection, and other management relating to an existence, ownership, access and employee notice of a plurality of trade secrets of an organization (Specification, page 10, lines 14-18). The method is implemented by the programmed computer to perform a number of steps. The first step is providing a

questionnaire (Specification, Table C, pages 20-23) of six multiple-choice questions on an output device of the programmed computer that elicit responses through an input device of the programmed computer as to the extent that a trade secret meets each of the six factors of a trade secret from the First Restatement of Torts. The six factors include: (1) the extent to which the information is known outside of the business; (2) the extent to which it is known by employees and others involved in the business; (3) the extent of measures taken by the business to guard the secrecy of the information; (4) the value of the information to the business and to its competitors; (5) the amount of time, effort or money expended by the business in developing the information and (6) the ease or difficulty with which the information could be properly acquired or duplicated by others. The second step is the programmed computer providing a numerical score value to each of the responses possible on the questionnaire (Specification, paragraph bridging pages 6-7). The third step is the programmed computer accepting responses through the input device in response to the questionnaire with respect to a specific trade secret. The fourth step is the programmed computer converting the individual responses received in the third step to the respective numerical score values provided in the second step. The fifth step is the programmed computer calculating the geometric mean, that is, the sixth root of the product (Specification, page 24, lines 10-17), of the numerical score values of the fourth step to create a single

metric for the trade secret. The sixth step is the programmed computer repeating steps three, four and five for each remaining trade secret of the plurality of trade secrets and the seventh step is the programmed computer ranking the plurality of trade secrets in ascending order or descending order of the calculated metric.

The provided questionnaire is provided to an evaluator (i.e., a person whose job it is to evaluate an organization's trade secrets). The evaluator may enter the answers to the questionnaire through a computer terminal.

A questionnaire may be filled out for each trade secret. The computer then uses the results of the questionnaires to rank the trade secrets.

VI. Grounds of Rejection to be Reviewed on Appeal.

Whether an Examiner may substitute her own judgement in place of the specific description of the invention in the specification with regard to enablement under 35 U.S.C. §112.

Whether an Examiner may substitute her own judgement in place of the specific description of the invention in the specification with regard to utility under 35 U.S.C. §112.

Whether an Examiner may substitute her own judgement in place of the specific description of the invention in the specification with regard to statutory subject matter under 35 U.S.C. §101.

Whether an Examiner may pick and choose from among

diverse elements of the prior art to render obvious a claimed invention absent a recognition of the claim elements or the problem solved by the claimed invention as under Spencer and Barney et al.

Whether an Examiner may pick and choose from among diverse elements of the prior art to render obvious a claimed invention absent a recognition of the claim elements or the problem solved by the claimed invention as under Spencer, Barney et al. and Haber et al.

VII. Grouping of Claims.

Claims 96-101, 103-110, 112, 113 are limited to method and apparatus of ranking trade secrets, in the general case. Accordingly, claims 96-113 should be considered as a first group of claims for purposes of this appeal.

Claims 114-118 are limited to a more specific structure for ranking trade secrets that includes "a table of descriptive labels and definitions within the programmed computer that converts the elicited responses received from the input device to a respective numerical score value for each of the six factors". Accordingly, claims 114-118 should be considered as a second, independent group of claims for purposes of this appeal.

VIII. Argument.

A. The Rejections.

## 1) Rejections under 35 U.S.C. §112 for Enablement.

Claims 96-101, 103-110 and 112-118 have been rejected as failing to comply with the enablement requirements. In particular, the Examiner asserts, with respect to claims 96-101, 103-110, and 112-118, a failure of both enablement and useful, concrete, and tangible result. With regard to enablement, the Examiner asserts that "The applicant has identified an invention which requires the user to input information into a computer through the use of a questionnaire with multiple-choice questions wherein many of the questions have answers that are provided by the subjective analysis of the user" (Office Action of 9/16/05, page 3).

Examiner's argument with respect to enablement fails on several levels. On a first level, the selection of a user input is not part of the claimed method or apparatus. The essence of the independent claims is a method or apparatus that aggregates user judgment with respect to six necessary component variables for a trade secret into a single variable, condensing the user's judgment into one variable that can be more easily compared, sorted on, and characterized. For a given input to the method, the output of the method is deterministic, and therefore concrete.

On yet another level, Examiner overstates the subjectivity of the input information. A great deal of research and experience has shown that individuals have little trouble ranking items on a scale of one to five.

Teachers throughout the United States rate students on a scale of one to five: A, B, C, D, and F. These grades are typically aggregated by a weighted arithmetic mean to a GPA, or Grade Point Average. Examiner's argument would indicate that the GPAs of all students in the United States are subjective and not concrete.

Similarly, surveys routinely ask respondents to answer questions on a scale of one to five, such as "Strongly Agree", "Agree", "No Opinion", "Disagree", and "Strongly Disagree", or "Very Low", "Low", "Medium", "High", "Very High". Such surveys are routinely used to design and modify products throughout the economy, and as a guide to formulate and direct public policy within local, state and federal governments.

In general, and as noted above, the determination of the answers to the six questions is not part of the claimed invention. Even if it were, the answers to the six question do not present an enablement question since techniques for the resolution of inexact questions are well known in the art of surveys and public policy.

The claimed invention is limited to the process of ranking trade secrets based upon grading of the six factors of a trade secret. Since the grading by the user of each of the six factors is outside of the claimed invention, the rejection is inapposite and should be overturned.

## 2) Rejections under 35 U.S.C. §112 for Utility

Claims 96-101, 103-110 and 112-118 have been rejected under 35 U.S.C. §112, first paragraph, as not being supported by a specific or well known utility. However, a specific utility of the independent claims is, in fact, provided in claim 96, element g, claim 105, element g, and claim 114, element e. In particular, the numerical score is used for "ranking the plurality of trade secrets in ascending or descending order of the calculated metric."

In ranking items, a precise definition (or means of measuring the units to be used) is not required to perform the ranking. One need not know the length of a furlong in order to know that a horse that won a race by one furlong, in fact, won a much narrower victory than another horse that won a race by three furlongs, thereby ranking the ease with which the horses won their respective victories. Similarly, a device that ranks items by length (say in some unit called a "tang") will sort items by how many tangs long each item is. The resulting ranking (e.g., item A is longer than item B, item B is longer than item C) has meaning and utility to the user whether the user knows what the length of a tang is, or even whether the creator of the device has defined (or not defined) the meaning of a "tang" for the user or not.

Similarly, it is the ranking which is the final result of the independent claims 96, 105, and 114, and not the numerical score that is calculated as an intermediate claim step.

The Examiner has erred in finding a lack of a specific

asserted utility in claims 96, 105, and 114, because (she has found that) "There is no defined meaning to the score." The score is not the goal of the claimed invention. The goal of the claimed invention is a ranking of a plurality of trade secrets. Based upon the specification, one skilled in the art would clearly know how to use such a ranking, which is an aggregation of the evaluator's judgment on the six factors applying to the legal existence of each trade secret in a trade secret portfolio.

The Examiner also states that, "The applicant has not defined the numerical score. There is no defined meaning to the score." The numerical score is defined in claims 96, 105, and 114 as the geometric mean of the values assigned to the six factors in the preceding elements of the claims. This is a precise mathematical definition of the numerical score.

The Examiner also states that, "It is unclear how the numerical score value would be used by a person in the industry." The claims do not make any assertion of the utility of the numerical score. The output of the invention in claims 96, 105, and 114 is a ranking of the plurality of trade secrets. One skilled in the art would clearly know how to use such a ranking, which is an aggregation of the evaluator's judgment on the six factors applied to gauge the legal existence of each trade secret in a trade secret portfolio.

The Examiner's argument in this case appears to be centered around utility, which is not a §112 matter, but a §101

matter. Examiner makes no argument in this section that a person skilled in the art would be unable to make and use the invention as described in the claims and disclosed in the specification. In particular, Examiner has made no argument that one skilled in the art would be unable to construct the invention or perform any of the claim elements. Examiner's argument here for rejection under 35 USC §112 is improper and should be overturned.

3) Rejections under 35 U.S.C. §101

The Examiner has rejected all claims under 35 USC §101 for failing to produce a useful, concrete, and tangible result. In particular, Examiner asserts that the invention fails to produce a concrete result, and is not supported by either a credible asserted utility or a well established utility.

Some discussion of "those skilled in the art" is necessary to frame the discussion. The invention is a new method and device for the evaluation of trade secrets. Thus, those skilled in the art would likely include those already experienced in the evaluation of trade secrets by other means, including judges, intellectual property attorneys, and intellectual asset management professionals. Those skilled in the art in the context of this invention would likely not include anyone who is not already well-versed (i.e., skilled) in the evaluation of trade secrets.

An applicable analogy here is to a new type of saddle for

horse riding. Surely, "those skilled in the art" in this case would apply to people who already know how to ride a horse with other types of saddles, otherwise the use of a new type of saddle would require "undue experimentation". Clearly, those skilled in the art would not include anyone who is not already accomplished in the riding of a horse.

Judges are instructed by §757 of The Restatement (First) of Torts to consider the six factors of a trade secret in adjudicating trade secret disputes, and have been doing so for over sixty years since its publication in 1939. Every trade secrets case includes an analysis by the judge of the extent to which the alleged trade secrets meet the six factors. Attorneys involved in these cases must also perform such analyses in preparing for and trying these cases, knowing that the judge will perform such an evaluation at trial. There is a great deal of precedent and experiential background for such analyses.

Those skilled in the art have no difficulty in determining whether a trade secret meets each of the six factors on a non-numeric basis. Determinations of whether a trade secret meets one of the six factors is easily characterized by one of such skill in terms of, for example, "Very Low", "Low", "Medium", "High", "Very High". Anyone who cannot reliably make such determination should probably not be trying trade secrets cases, either as judge or counsel, and cannot be considered one skilled in the art of evaluating trade secrets.

What is new in the present invention is to apply a numeric value to these determinations, to calculate a metric therefrom, and to sort trade secrets based on this metric. The resulting ranking, it is believed, provides insight into the relative merits of the trade secrets in the listing and the extent to which they meet the legal test. There is a high degree of correlation between the resulting ranking and the considered judgment of experienced trade secret attorneys in evaluating the extent to which, overall, the trade secrets meet the legal test.

Of course, some differences in the evaluations of individual skilled evaluators will always be present in any judgment. Nevertheless, impartial evaluations show a remarkable degree of consistency. As in the case of purely objective measurements, there is some degree of error in the specification of any numerical quantity, but such measurement errors do not render the measurements valueless.

There are several examples of similar situations with which everyone is familiar. Movie ratings by experienced film critics are often delivered on a five point - or five star - scale, and ratings for movies are remarkably consistent across different reviewers. Similarly, student essay papers (as opposed to numeric or multiple-choice exams) are typically graded on a five-point scale (A, B, C, D, and F) by skilled professional teachers, and the grades of individual students in writing and other classes requiring essay answers are remarkably consistent across multiple

teachers and in different courses.

The question is, in the current case, are the professional judgments of skilled judges, attorneys, and other trade secret professionals so subjective as to render the invention useless.

In particular, Examiner argues in support of the assertion of non-statutory subject matter that "because the answers are subjective for a single situation, there could be different results based on the subjective determination of the user" and that "Therefore, the applicant's invention is not capable of providing concrete results."

In addition to the preceding argument relative to the evaluative skills specific to the present context of those skilled in the art, it should be repeated that the method of coming to the evaluative judgment on each of the six factors is not a part of the claimed invention. In other words, a different method, device, invention or mental process may be used to arrive at a non-numeric quantitative evaluation (not much, a little, middling, a lot, a 'home run') with regard to each of the six factors, and would still be outside the scope of the claimed invention. The claimed invention is silent on the method used, and many methods could be employed.

Once these judgments are made, they enter the scope of the claimed invention: assigning numerical values, calculating the geometric mean, and ranking results. These results are concrete

and reproducible, in that a given set of evaluations, that are performed outside the scope of the invention, will always produce exactly the same answer once processed through the steps and apparatus of the claimed invention.

Examiner's argument relies upon inclusion of the evaluative process on each of the six factors (which is not claimed and lies outside of the scope of the invention) as part of the claimed invention in order to come to a conclusion that the invention does not provide a concrete result. Examiner's rejection of the claims under 35 USC § 101 with this argument is therefore improper and should be overruled.

Continuing with the issue of non-statutory subject matter, Examiner asserts that, "the claimed invention is not supported by either a credible asserted utility or a well established utility. It is unclear how the specific utility of the claimed invention as described in the disclosure of this invention would be useful or tangible to one in the industry."

The disclosure and the claims could not be more clear. The invention allows a skilled evaluator to aggregate his judgments on six independent factors for each of a portfolio of trade secrets into a list of trade secrets sorted in terms of a single value for each trade secret that incorporates his six judgments. The tangible output is a sorted list that reflects the judgments he provided as input to the invention.

The Examiner questions the usefulness of this list to

"one in the industry". The Examiner has underestimated the skill of the intellectual property bar and bench in the evaluation of trade secrets using parameters that have been well-established law for over six decades in order to come to the conclusion that this list has no usefulness due to the "subjective determination of the user". These evaluations in practice do not have such variability as to render such a list useless to another user.

Further, the relatively small variability in these evaluations are inversely proportional to the skill of the user. As has been previously noted, movie ratings are remarkably uniform in a much more subjective area (i.e., the evaluation of art). Nevertheless, movie ratings are widely published and used by moviegoers. As with movie ratings, evaluations of trade secrets reflect the skill of the evaluator, and the extent to which a particular evaluation will be considered accurate will depend somewhat on the reputation of the reviewer ("How many stars did Roger Ebert give this movie?") but to a lesser extent due to the more well-documented criteria, based on sixty years of experience and court findings. The usefulness of the list will be somewhat dependent on the relative skills of evaluators, but, for evaluators considered skilled in the art, the usefulness of the list will never be zero.

Finally, while Examiner has questioned the usefulness of the produced ranking to a person in the industry, there is no question that the listing is useful to the evaluator himself. It

is, after all, a sorted list of his own aggregated judgment. To the extent that the six evaluations for each trade secret are subjective, they are his subjective evaluations. The list thus condenses six independent evaluations for each trade secret of a large portfolio of trade secrets into a single sorted list reflecting his own judgment. Surely it stretches imagination to believe that this evaluator will not find his own list so produced to be useful to himself.

Examiner makes an argument in the Response to Arguments that is best answered here. In Section III of the Response to Arguments, Examiner asserts that the invention fails the usefulness test because it does not provide "a concrete result which can be used by one in the industry other than the person actually entering the information" (Office Action of 9/16/05, paragraph bridging pages 14-15). The Examiner here is asserting that the invention fails the usefulness test because its output is not useful to someone who is not the user. Usefulness merely to the user himself is here argued to be insufficient to meet the usefulness test; the output of the invention must also be useful to an arbitrary third person, someone other than the person who buys it and uses it for his own benefit.

While it is believed that the sorted ranking of trade secrets that is the tangible output of the invention does in fact have usefulness to another skilled in the art, dependent on the skill in the art of the original evaluator, such usefulness is not

required to meet the usefulness test of 35 USC § 101. Usefulness to the original evaluator himself is sufficient. Examiner's rejection of the claims under 35 USC § 101 with this argument is therefore improper and should be overruled.

The rest of Examiner's arguments on non-statutory subject matter address the usefulness of the numerical score. As has been previously noted, the claims do not make any assertion of the utility of the numerical score. The output of the invention in claims 96, 105, and 114 is a ranking of the plurality of trade secrets. One skilled in the art would clearly know how to use such a ranking, which is an aggregation of the evaluator's judgment on the six factors applying to the legal existence of each trade secret in a trade secret portfolio.

The user's understanding of the numerical score, or lack thereof, does not impact the usefulness of the invention under any of the claims with the possible exception of claims 104, 113, and 118. Examiner's rejection of the other claims under 35 USC § 101 with this argument is therefore improper and should be overruled.

Claims 104, 113, and 118 require the user to enter a predetermined threshold value. Once more, the user's judgment as to what this threshold value should be in each case lies outside the scope of the claimed invention. The applicants expect that, with experience, users will come to an understanding of the threshold values that have most meaning within their business environment. In particular, a ranked listing of the full portfolio

of trade secrets within a typical company may run to several thousand items listed on hundreds of pages. As the most important trade secrets will lie in the upper portion of the ranked listing, the user can determine a suitable threshold value from an observation of what threshold value will limit the output to a reasonably sized list of the most important items. This threshold value will depend on many factors, not least the size of the company's trade secret portfolio and the strength of the individual trade secrets therein.

3) Rejections under 35 U.S.C. §103(a) - Spencer and Barney et al.

The Examiner has rejected independent claims 96, 105, and 114, under 35 USC § 103(a) as being unpatentable over Spencer (US 6,356,909) in view of Barney et al (US 6,556,992). In this regard, Spencer is directed to "An integrated web based system for generating electronic request for proposal (RFP) forms and responding to the generated RFPs over a secure communications network" (Spencer, Abstract, lines 1-3). Barney et al. is directed to a METHOD AND SYSTEM FOR RATING PATENTS AND OTHER INTANGIBLE ASSETS" (Barney et al., title).

The Examiner admits that "neither Spencer or Barney explicitly disclose rating trade secrets or the questions relating to the six factors for a trade secret of the First Restatement of Torts or calculating a geometric mean, the sixth root of the

product, of the numerical score value" (Office Action of 9/16/05, page 8) but asserts that these features do not differentiate the claimed invention from the prior art.

The Examiner asserts that using the geometric mean would have been a modification of Spencer obvious to one of ordinary skill in the art. Spencer, however, forms his scorecards from a summing, or totaling, of weighted values assigned to questionnaire responses. This is consistent with the typical process of evaluating responses to Requests for Proposal (RFPs) widely practiced manually at the time of Spencer's invention. That is, the summing of weighted scores for RFP responses was widely practiced at the time and incorporated by Spencer as particularly relevant to the subject matter of scoring responses to RFPs. No other mathematical operation is disclosed or taught by Spencer in the creation of his scorecards than the simple addition of weighted scores.

Barney uses a statistical regression analysis in generating his ranking criteria, and does not disclose the use of the geometric mean in the evaluation of intellectual property. Nor does the combination of Barney and Spencer provide a basis for the geometric mean: according to Examiner, "neither Spencer or Barney explicitly disclose ... calculating a geometric mean."

Examiner's argument that the use of the geometric mean "would have been obvious to one of ordinary skill in the art" is based on the geometric mean being "old and well-known" and defined

in on-line references. Examiner makes no argument and cites no prior art that the geometric mean has ever been previously used to generate a ranking criteria for the evaluation of trade secrets or other intellectual property. Examiner's determination that the use of the geometric mean as a modification of Spencer would have been obvious is totally unsupported by citation of any prior art.

In Examiner's argument, any mathematical function that is "old and well-known" and defined in on-line references would be an obvious extension of prior art. What Examiner does not address is why this particular mathematical calculation, out of the tens of thousands of "old and well-known" mathematical functions in various sources, including the United States Department of Commerce "The Handbook of Mathematical Functions", published since 1964 and now being updated on-line as the Digital Library of Mathematical Functions at [www.dlmf.nist.gov](http://www.dlmf.nist.gov), should be considered obvious in the creation of a ranking criteria for intellectual property.

Why, given the large number of mathematical calculations available, should this calculation be considered an obvious extension of Spencer? How obvious is the selection of a single mathematical calculation out of tens of thousands of possibilities, all of which are "old and well-known", as being peculiarly appropriate for the creation of a ranking criteria for trade secrets? Where is the prior art suggesting any applicability of the geometric mean to intellectual property to support Examiner's assertion?

In fact, the geometric mean is typically used, and considered particularly appropriate, for the averaging of multiple measurements of a single physical quantity, such as the flow of liquid in a tube or blood flow in a blood vessel, to come up with an accurate value. Its use for creating a ranking criteria for trade secrets from multiple different evaluation parameters is in fact counterintuitive based on this prior art.

Examiner has failed to substantiate the claim that the geometric mean is an obvious modification of the prior art. The use of the geometric mean differentiates applicant's invention from the prior art, including Spencer and Barney. Rejection of the claims as unpatentable under Spencer in light of Barney is therefore improper and should be overruled.

In order to assert the non-obviousness rejection, Examiner must also address the subject matter of trade secrets and the fact that the questionnaire (e.g., Table C of the Specification) relates to the six factors of a trade secret from the First Restatement of Torts, which Examiner has also admitted are not explicitly disclosed by Spencer or Barney. Examiner has determined that these are "non-functional descriptive data" and "are not functionally interrelated with the useful arts, structure or properties of the claimed invention" (Office Action of 9/16/05, page 8). Examiner cites Gulack and Lowry as precedents for this determination, but makes no argument and provides no discussion of these cases beyond the citation.

Both Gulack and Lowry are based on a previous case, *In re Miller* (418 F.2d 1392, 164 USPQ 46) which was an appeal of the rejection of claims drawn to a measuring device for use in fractioning recipes. In *Miller*, the U.S. Court of Customs and Patent Appeals reversed the rejection, which was based on the argument that the indicia and legends did not distinguish the claimed invention from the prior art of a simple measuring cup. The CCPA in particular pointed out that "[i]t seems to us that what is significant here is not structural but *functional* relationship."

The analogy to *Miller* is exact. The *Miller* device presented indicia and legends to the user to provide the user the information to determine the proper amount of ingredient to use in a fractional recipe. The operation (filling the measuring cup and using it to pour the ingredient) was unchanged over that of a simple measuring cup. The information provided to the user by the legends and indicia directed the use of the measuring cup but did not change the manner in which measurement was performed.

The CCPA in *Miller* found a functional relationship between the indicia and legends and *Miller*'s measuring cup. The U.S. Court of Appeals Federal Circuit in *Gulack* and the Board of Patent Appeals and Interferences in *Lowry* reversed both cases based on the functional relationship standard set forth in *Miller*. The CAFC in *Gulack* noted (in citing *Miller*) that "the critical question is whether there exists any new and unobvious functional relationship...."

Applicant asserts that there is a functional relationship between the questionnaire in the independent claims being directed to the six factors of a trade secret (from the First Restatement of Torts) and the useful acts, structure or properties of the claimed invention. In particular, the independent claims each result in the creation of a ranked listing of trade secrets in a trade secret portfolio. The trade secrets are ranked through the use of a numerical value derived from the judgment of the user in responding to a questionnaire about the trade secret. The questionnaire provided to the user directs his responses to six questions that are the established precedent for a determination by a court of a legally protected status as a trade secret.

The presentation of the questionnaire based on the six factors of a trade secret to the user is thus functionally interrelated to the useful act of creating a listing of trade secrets in the ranked order in which they can be expected to pass legal muster, at least in the aggregated judgment of the user. Absent the questionnaire being related to the six factors of a trade secret from the First Restatement of Torts, but fulfilling all of the other steps disclosed in the prior art, the claimed invention would fail to provide any information whatsoever on the expected legal status of the trade secret, which must be based on the six factors.

The presentation of the questionnaire based on the six factors of a trade secret to the user is also functionally

interrelated to the structure of the claimed invention, in that the structure of the claimed invention includes the use of a questionnaire as a first element of each of the independent claims. Examiner acknowledges that the use of a questionnaire is part of the structure of the claimed invention in detailing the use of a questionnaire in Spencer as an element in common with the claimed invention. The questions based on the six factors of a trade secret from the First Restatement of Torts form the substance of the questionnaire, which is part of the structure of the claimed invention. They are thus interrelated.

Examiner's finding that "The fact that ... the questions relate to the First Restatement of Torts is determined to be non-functional descriptive data" is not supported by Miller, Gulack, or Lowry. In all three of these cases, rejections under the non-obviousness criteria based on determinations that portions of claim elements were non-functional descriptive data that did not rise to the level of patentability were overturned. Examiner in each case was overzealous in discarding claim language and was reversed. Similarly in the case at hand, Examiner has discarded clearly functional language from the claim elements.

The clearest language is provided in Gulack to guide these decisions: "What is required is the existence of differences between the appealed claims and the prior art sufficient to establish patentability. The bare presence or absence of a specific functional relationship, without further analysis, is not

dispositive of obviousness. Rather, the critical question is whether there exists any new and unobvious functional relationship between the printed matter and the substrate." In the Gulack case, the content of the printed matter was set aside by the Examiner, as not rising to the level of patentability, rendering Gulack's invention undifferentiated with respect to the prior art of a substrate containing printed matter. The CAFC disagreed, noting the difference between the content of the printed matter in Gulack's invention and the prior art and the manner in which the content was determined.

In the applicant's claims, then, "the critical question is whether there exists any new and unobvious functional relationship between" a questionnaire related to the six factors of a trade secret from the First Restatement of Torts and the process of assigning numerical values, calculating a metric, and ranking trade secrets. That is, does the difference in the content of the questions in the questionnaire, like Gulack's printed matter, differentiate the claimed invention from the prior art. Further, does the difference in the manner in which the content of the questionnaire was determined (by basing it on the formal legal criteria for the subject matter) differentiate the content from the prior art.

In this regard, applicant notes that the six factors were published in the First Restatement of Torts in 1939, and have served as the legal basis for determining legal trade secret status

for over sixty years. The six factors have been taught in law schools, argued in courtrooms, and weighed in courtrooms by teachers, attorneys and judges in trade secret law throughout that time. In addition, the economic importance of trade secrets, the theft of trade secrets, and the litigation of trade secret cases have grown in absolute and dollar amounts throughout those six decades. Finally, the emphasis on modern accounting procedures and transparent shareholder reporting has put tremendous pressure on the accountancy profession and the intellectual property bar to produce a method for analyzing the existence of a trade secret.

In all those sixty years, despite the increasing economic need and the mounting pressure for a solution, no law school professor, no intellectual property attorney, no judge, no accountant ever conceived of combining a questionnaire related to the six factors of a trade secret from the First Restatement of Torts and the process of assigning numerical values, calculating a metric, and ranking trade secrets. The claimed invention represents "a new and unobvious functional relationship" between the content of the trade secret questionnaire and the process of assigning numerical values, calculating a metric, and ranking trade secrets.

In general, the Examiner's rejection of the independent claims under the non-obviousness requirement is improper and should be overturned on two grounds: that the geometric mean in the claimed context is not obvious, and that the six factors of a trade

secret from the First Restatement of Torts is not non-functional descriptive data. Since the Examiner's rejection of the independent claims under 35 USC § 103(a) is thus improper, it should be overruled.

4) Rejections under 35 U.S.C. §103(a) - Spencer, Barney et al. and Haber et al.

The Examiner has rejected independent claims 97, 106, and 115, under 35 USC § 103(a) as being unpatentable over Spencer in view of Barney et al. and U.S. Pat. No. 5,136,646 to Haber et al. In this regard, Spencer is directed to "An integrated web based system for generating electronic request for proposal (RFP) forms and responding to the generated RFPs over a secure communications network" (Spencer, Abstract, lines 1-3). Barney et al. is directed to a METHOD AND SYSTEM FOR RATING PATENTS AND OTHER INTANGIBLE ASSETS" (Barney et al., title). Haber et al. is directed to a DIGITAL DOCUMENT TIME-STAMPING WITH CATENATE CERTIFICATE (Haber et al. title).

None of the cited references teach or suggest the use of a certificate for protecting trade secrets. None of the cited references (or the combination) teach or suggest the use of an application fingerprint. Since the combination fails to teach or suggest these claim elements, the rejections are improper.

In summary, the reversal of the rejections of the independent claims is in order and renders the dependent claims, as

extensions of the independent claims, non-obvious as well. Examiner's rejection of the dependent claims under 35 USC § 103(a) is also thus improper and should be overruled.

B. A Prima facie Case of Obviousness Has Not Been Established

The Federal Circuit has continually held that the Examiner has the burden under 35 U.S.C. §103 of establishing a prima facie case of obviousness. In re Oetiker, 977 F.2d 1443, 24 USPQ2d 1443 (Fed. Cir. 1992); In re Fine, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988). This burden may be satisfied only by showing that some objective teaching in the prior art or knowledge generally available to one of ordinary skill in the art would lead that individual to the claimed invention. For example, as the Federal Circuit has held recently, as well as on numerous other occasions: "[t]here must be some reason, suggestion or motivation found in the prior art whereby a person of ordinary skill in the field of the invention would make the combination." In re Oetiker, supra, 24 USPQ2d at 1446.

Moreover, the mere fact that the prior art references could be modified in the manner proposed by the Examiner would not have made the modification obvious unless there is some motivation or suggestion in the prior art to do so. In re Gordon, 773 F.2d 900, 221 USPQ 1125 (Fed. Cir. 1984), also see In re Fritch, 972 F.2d 1260, 23 USPQ2d 1781, 1783 (Fed. Cir. 1992) (The mere fact

that the prior art may be modified in the manner suggested by the Examiner does not make the modification obvious unless the prior art suggested the desirability of the modification).

When making an assessment of the obviousness of the claimed invention, the prior art, viewed as a whole, must "suggest the desirability, and thus the obviousness, of making the combination." In re Beattie, 974 F.2d 1309, 24 USPQ2d 1040 (Fed. Cir. 1992), quoting Lindemann Maschinenfabrik GMBH v. American Hoist & Derrick Co., 730 F.2d 1452, 1462, 221 USPQ 481, 488 (Fed. Cir. 1984). Similarly, the Examiner, under §103, must consider the claimed subject matter "as a whole". In assessing the claimed subject matter "as a whole", the results and advantages of the claimed invention must be considered. Diversitech Corp. v. Century Steps, Inc., 850 F.2d 675, 7 USPQ2d 1315 (Fed. Cir. 1988); In re Chupp, 816 F.2d 643, 2 USPQ2d 143 (Fed. Cir. 1987).

It is incumbent upon the Examiner to demonstrate that the proposed combination of reference teachings is proper. Where no express teaching or suggestion is apparent from the references, the Examiner must establish, with evidence or reasoning, why one skilled in the art would have been led by the relevant teachings of the applied references to make the proposed combination. In re Gordon, 733 F.2d 900, 221 USPQ 1125 (Fed. Cir. 1984); ACS Hospital System, Inc. v. Montefiore Hospital, 732 F.2d 1572, 221 USPQ 929 (Fed. Cir. 1984). When making an obviousness rejection, "[i]t is impermissible, however, simply to engage in hindsight

reconstruction of the claimed invention, using the applicant's structure as a template". In re Gorman, 933 F.2d 982, 18 USPQ2d 1885 (Fed. Cir. 1991).

Applicant submits that it does not require a close examination of the record to determine that the Examiner has failed to meet the burden of establishing a *prima facie* case of obviousness. In general, the Examiner has failed to establish any credible basis why one skilled in the art would have been led by the relevant teachings of the applied references to make the proposed combination.

None of the cited references are directed to trade secrets. None of the cited references recognize the value of ranking trade secrets. None of the cited references provide any method of aggregating the six factors of a trade secret. As such, the combination of Spencer and Barney et al. clearly fails to provide any teaching or suggestion of any method of ranking trade secrets.

For the foregoing reasons, reversal of the rejections of claims 96-101, 103-110 and 112-118, as now presented, is believed to be in order and such action is earnestly solicited.

IX. CONCLUSION

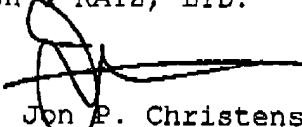
For the foregoing reasons, allowance of claims 96-101, 103-110 and 112-118, as now presented, is believed to be in order. It is respectfully requested that this Board reverse the decision of

the Examiner in all respects.

Respectfully submitted,

WELSH & KATZ, LTD.

By

  
Jon P. Christensen  
Registration No. 34,137

February 14, 2006  
WELSH & KATZ, LTD.  
120 South Riverside Plaza  
22nd Floor  
Chicago, Illinois 60606  
(312) 655-1500

## APPENDIX OF THE CLAIMS

Claims 1-95 (Withdrawn).

96. (Previously Presented) A programmed computer method based upon the six factors of a trade secret from the First Restatement of Torts for providing documentation, analysis, auditing, accounting, protection, and other management relating to an existence, ownership, access and employee notice of a plurality of trade secrets of an organization, said method implemented by the programmed computer to effect the following steps :

a) providing a questionnaire of six multiple-choice questions on an output device of the programmed computer that elicit responses through an input device of the programmed computer as to the extent that a trade secret meets each of the six factors of a trade secret from the First Restatement of Torts, said six factors including (1) the extent to which the information is known outside of the business; (2) the extent to which it is known by employees and others involved in the business; (3) the extent of measures taken by the business to guard the secrecy of the information; (4) the value of the information to the business and to its competitors; (5) the amount of time, effort or money expended by the business in developing the information and (6) the ease or difficulty with which the information could be properly

acquired or duplicated by others;

- b) the programmed computer providing a numerical score value to each of the responses possible on the questionnaire;
- c) the programmed computer accepting responses through the input device in response to the questionnaire with respect to a specific trade secret;
- d) the programmed computer converting the individual responses received in c) to the respective numerical score values provided in b);
- e) the programmed computer calculating the geometric mean, that is, the sixth root of the product, of the numerical score values of d) to create a single metric for the trade secret;
- f) the programmed computer repeating steps c), d) and e) for each remaining trade secret of the plurality of trade secrets; and
- g) the programmed computer ranking the plurality of trade secrets in ascending order or descending order of the calculated metric.

97. (Previously Presented) The method as in claim 96 further comprising creating an application fingerprint from the collected data associated with the trade secret.

98. (Previously Presented) The method as in claim 97 wherein the step of creating the application fingerprint further comprises processing the content of the trade secret using a deterministic

one-way algorithm.

99. (Previously Presented) The method as in claim 97 further comprising transferring the application fingerprint from a creator of the trade secret to a trusted third party.

100. (Previously Presented) The method as in claim 99 further comprising creating a certificate fingerprint from the application fingerprint by the trusted third party.

101. (Previously Presented) The method as in claim 100 further comprising transmitting the certificate fingerprint from the trusted third party to the creator of the application fingerprint as a trade secret certificate.

102. (Canceled).

103. (Previously Presented) The method as in claim 96 wherein the step of assigning the value further comprises assigning numeric values on a scale of one to five or on a scale of zero to ten.

104. (Previously Presented) The method as in claim 96 wherein the step of generating one or more metrics further comprises comparing the assigned values with predetermined threshold values.

105. (Previously Presented) A programmed computer based upon the six factors of a trade secret from the First Restatement of Torts for providing documentation, analysis, auditing, accounting, protection, and other management relating to an existence, ownership, access and employee notice of a plurality of trade secrets of an organization, said computer comprising:

- a) means within the programmed computer for providing a questionnaire of six multiple-choice questions on an output device of a computer that elicit responses through an input device of the computer as to the extent that a trade secret meets each of the six factors of a trade secret from the First Restatement of Torts, said six factors including (1) the extent to which the information is known outside of the business; (2) the extent to which it is known by employees and others involved in the business; (3) the extent of measures taken by the business to guard the secrecy of the information; (4) the value of the information to the business and to its competitors; (5) the amount of effort or money expended by the business in developing the information and (6) the ease or difficulty with which the information could be properly acquired or duplicated by others;
- b) means within the programmed computer for providing a numerical score value to each of the responses possible on the questionnaire;
- c) means within the programmed computer for accepting

responses through the input device in response to the questionnaire with respect to a specific trade secret;

d) means within the programmed computer for converting the individual responses received in c) to the respective numerical score values provided in b);

e) means within the programmed computer for calculating the geometric mean, that is, the sixth root of the product, of the numerical score values of d) to create a single metric for the trade secret;

f) means within the programmed computer for repeating steps c), d) and e) for each remaining trade secret of the plurality of trade secrets; and

g) means within the programmed computer for ranking the plurality of trade secrets in ascending order or descending order of the calculated metric.

106. (Previously Presented) The apparatus as in claim 105 further comprising means for creating an application fingerprint from the collected data associated with the trade secret.

107. (Previously Presented) The apparatus as in claim 106 wherein the means for creating the application fingerprint further comprises means for processing the content of the trade secret using a deterministic one-way algorithm.

108. (Previously Presented) The apparatus as in claim 106 further comprising means for transferring the application fingerprint from a creator of the trade secret to a trusted third party.

109. (Previously Presented) The apparatus as in claim 108 further comprising means for creating a certificate fingerprint from the application fingerprint by the trusted third party.

110. (Previously Presented) The apparatus as in claim 109 further comprising means for transmitting the certificate fingerprint from the trusted third party to the creator of the application fingerprint as a trade secret certificate.

111. (Canceled).

112. (Previously Presented) The apparatus as in claim 105 wherein the means for assigning the value further comprises means for assigning numeric values on a scale of one to five or a scale of zero to ten.

113. (Previously Presented) The apparatus as in claim 105 wherein the means for generating one or more metrics further comprises means for comparing the assigned values with predetermined threshold values.

114. (Previously Presented) A programmed computer based upon the six factors of a trade secret from the First Restatement of Torts for providing documentation, analysis, auditing, accounting, protection, and other management relating to an existence, ownership, access and employee notice of a plurality of trade secrets of an organization, said computer comprising:

- a) a questionnaire of six multiple-choice questions displayed on an output device of the programmed computer that elicit responses through an input device of the computer as to the extent that a trade secret meets each of the six factors of a trade secret from the First Restatement of Torts, said six factors including (1) the extent to which the information is known outside of the business; (2) the extent to which it is known by employees and others involved in the business; (3) the extent of measures taken by the business to guard the secrecy of the information; (4) the value of the information to the business and to its competitors; (5) the amount of effort or money expended by the business in developing the information and (6) the ease or difficulty with which the information could be properly acquired or duplicated by others;
- b) the input device of the programmed computer that accepts the responses elicited by the questionnaire with respect to a specific trade secret;
- c) a table of descriptive labels and definitions within the

programmed computer that converts the elicited responses received from the input device to a respective numerical score value for each of the six factors;

d) an arithmetic processor within the programmed computer that calculates the geometric mean, that is, the sixth root of the product, of the numerical score values of c) to create a single metric for the trade secret and that repeats the process steps associated with elements b), c) and d) for each remaining trade secret of the plurality of trade secrets; and

e) a comparator processor within the programmed computer that ranks the plurality of trade secrets in ascending order or descending order of the calculated metric.

115. (Previously Presented) The apparatus as in claim 114 further comprising an application processor adapted to create an application fingerprint from the collected data associated with the trade secret.

116. (Previously Presented) The apparatus as in claim 114 further comprising a communication processor adapted to transfer the application fingerprint from a creator of the trade secret to a trusted third party.

117. (Previously Presented) The apparatus as in claim 116 further comprising a certificate processor adapted to create a

certificate fingerprint from the application fingerprint by the trusted third party.

118. (Previously Presented) The apparatus as in claim 114 wherein the arithmetic processor further comprises a comparator processor adapted to compare the assigned values with predetermined threshold values.

#### EVIDENCE APPENDIX

No evidence has been submitted with this appeal.

#### RELATED PROCEEDINGS INDEX

There are no proceedings related to this appeal.

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